

Exhibit A

TO STATE FARM'S NOTICE OF REMOVAL

FILED

IN THE CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE

CHERYL PATTERSON,

Plaintiff,

v.

STATE FARM FIRE AND CASUALTY
COMPANY,

Defendant.

JURY DEMAND

Case No. 14C3988

COMPLAINT

Plaintiff, CHERYL PATTERSON, for her Complaint against the Defendant, STATE FARM FIRE AND CASUALTY COMPANY, ("Defendant"), would respectfully show and allege to the Court as follows:

GENERAL ALLEGATIONS

1. Plaintiff, CHERYL PATTERSON, owns the property located at 5904 Colchester Drive, Hermitage, Davidson County, TN 37076-4406.
2. Defendant, STATE FARM FIRE AND CASUALTY COMPANY, is a for-profit foreign insurance company authorized to engage in, and does engage in, the sale and delivery of property insurance within the State of Tennessee. The registered agent for service of process of STATE FARM FIRE AND CASUALTY COMPANY is the Tennessee Department of Commerce and Insurance, 500 James Robertson Parkway, Nashville, Tennessee, 37243.
3. Plaintiff's claim for relief arises from a covered sinkhole loss to their property located at 5904 Colchester Drive, Hermitage, TN 37076-4406 ("Property"). Venue is proper pursuant to Tenn. Code Ann. § 20-4-103.
4. At all times material hereto, Plaintiff has been the owner of the Property.

5. Plaintiff renewed or procured a policy of homeowner's insurance, policy number 42-GP-0365-5 ("Policy"), from Defendant covering the above-referenced property. Attached hereto as **Exhibit A**.

6. In consideration of monies paid by Plaintiff to Defendant, the Policy was issued, insuring the Plaintiff's property against risks, including sinkholes. The insurance policy provided dwelling insurance coverage in addition to other coverages.

7. Plaintiff has renewed the Policy each and every year and has paid all premiums due thereunder and otherwise met all conditions of coverage thereunder.

8. On or about June 30, 2013, while the Policy was in full force and effect, the Property was damaged as a result of sinkhole activity.

9. The damage to Plaintiff's Property is caused by a covered peril under the Policy.

10. A notice of loss and damages was properly given by Plaintiff to Defendant in accordance with the terms of the Policy.

11. Defendant sent a professional engineer, Rimkus Consulting Group, Inc., ("Rimkus") to Plaintiff's Property who confirmed that there was damage to the home and that the home was situated in a karst setting where sinkholes are apparent with a sinkhole present on the Property, but stated the damage was caused by perils excluded under the Policy and not by sinkhole activity.

12. On or about January 22, 2014, Defendant sent a letter to Plaintiff stating that Rimkus determined that sinkhole activity was not a cause of loss and denied the claim. Attached hereto as **Exhibit B**.

13. On or about May 2, 2014, Plaintiff, through counsel, sent a request that Defendant reopen the claim and consider all of the evidence in order to make an informed decision concerning the Plaintiff's Property and claim. Attached hereto as **Exhibit C**.

14. Plaintiff has complied fully with all of the provisions of the Policy.

15. Plaintiff has been required to retain the services of the undersigned counsel and is obligated to pay them reasonable fees for their services.

BREACH OF CONTRACT

16. Plaintiff adopts and incorporates by reference the allegations contained in paragraphs 1 through 15 above as though fully set forth herein.

17. Defendant has breached the Policy by denying coverage and failing and refusing to pay all benefits due thereunder for the claim of sinkhole activity.

18. Defendant failed to properly investigate the Property as required under the Policy and by state statute.

19. Defendant failed to exercise the skill, care and knowledge required of a licensed insurance carrier with respect to the investigation and handling of this claim.

20. Defendant failed to investigate the Plaintiff's claim in a prompt and thorough manner.

21. Defendant represented to its insured that exclusionary language contained in the Policy excluded coverage of the claim, when the Defendant knew or should have known that it did not exclude coverage. Such acts or omissions were committed intentionally, recklessly, and/or negligently.

22. Defendant owes Plaintiff prejudgment interest, expert fees, costs, the costs of all structurally necessary repairs, and, if the home is not repairable within applicable coverage limits, and amount equal to such limits for the total constructive loss.

BAD FAITH

23. Plaintiff adopts and incorporates by reference the allegations contained in paragraphs 1 through 22 above as though fully set forth herein.

24. Defendant's failure and refusal to pay is not in good faith, and such failure to pay has inflicted expense, loss, and injury upon Plaintiff. Accordingly, Plaintiff is entitled to recover, in addition to the amount of the insured loss and interest thereon, an amount equal to twenty-five percent (25%) of the liability for the loss, pursuant to Tenn. Code Ann. § 56-7-105.

25. The acts and/or omissions of Defendant constitutes bad faith with respect to the exercise of its duties and obligations to the Plaintiff, including, but not limited to:

(A) Defendant failed to exercise the skill, care and knowledge required of a licensed insurance carrier with respect to the investigation and handling of insurance claims;

(B) Defendant failed to investigate the Plaintiff's claim in a prompt and thorough manner; and,

(C) Defendant intentionally ignored requests to pay the claim of insurance policy coverage for the Plaintiff's claims.

26. Defendant unilaterally selected Rimkus, a company with which Defendant has a long-standing financial relationship, to test Plaintiff's home. This goal-oriented company, not surprisingly, denied the existence of sinkhole damage at the Property, despite clear evidence to the contrary.

27. Although Defendant was aware of Rimkus' flawed findings, Defendant blindly adopted Rimkus' suggestion of no sinkhole damage to the Property in an intentional placement

of its own financial interests before CHERYL PATTERSON's interest in safeguarding her home.

28. Defendant has exhibited a pattern of conduct with regard to its claims handling practices, which has resulted in repeated misconduct amounting to intentional or reckless bad faith toward its insured. A history of court determinations and complaints of bad faith conduct on the part of Defendant has put Defendant on notice that its claims handling practices have resulted in repeated incidents of bad faith. In spite of such notice, Defendant has intentionally or recklessly or carelessly failed to correct its corporate policies or otherwise train its personnel in such a manner as to reduce or eliminate this misconduct.

WHEREFORE, Plaintiff respectfully requests the Court to enter judgment against Defendant for (i) actual damages; (ii) costs, including expert fees; (iii) reasonable attorneys' fees; (iv) all general and special damages, including but not limited to the full cost of repair or replacement of Plaintiff's home; (v) pre-judgment interest; (vi) bad faith damages; and (vii) any other relief as the Court deems just and appropriate. Plaintiff prays for all relief and damages to which they are entitled under the common law, including compensatory damages, punitive damages, attorneys' fees, and costs.

DEMAND FOR JURY TRIAL

Plaintiff demands a jury of twelve (12) persons to try all issues so triable in this matter and such further and general relief to which he may be entitled.

Respectfully submitted,

By: 

Thompson Trial Group, P.A.

thompson@ttglaw.com

TBN: 25817

4725 North Lois Avenue

Tampa, Florida 33614-7046

Telephone: (813) 254-1800

Facsimile: (813) 254-1844

Attorney for Plaintiff

Copy

FILED



2014 SEP 22 AM 11:14
Certified Policy Record

RICHARD E. ROBBINS, CLERK

I, the undersigned, do hereby confirm that I am custodian of the records pertaining to the issuance of policies by State Farm Fire and Casualty Company. Belton D.C.

I certify that the attached documents represent a true and accurate record of the terms and conditions of Policy Number 42-GP-0365-5 including any endorsements, if applicable, for the policy term(s) February 26, 2013-2014 and insuring Patterson, Cheryl of 5904 Colchester Dr, Hermitage TN 37076-4406 based on available records.

The following endorsements are included:

FP /7955/KT HOMEOWNERS POL
LSP A1 SMLR CONST-A
LSP B1 LMT RPL COST-B
OPT ID COV A-INC DWLG
OPT OL ORDINANCE-LAW
OPT JF JEWELRY-FURS
FE /5706/4 DRAIN BACK-UP
FE /7301/4 EARTHQUAKE END
FE /3530 HO-W POL END

The policy was in effect on the loss date of June 30, 2013.

Kristie Harris
Kristie Harris
Underwriting Support Service Supv

State of Tennessee
County of Rutherford

Subscribed and sworn to before me this 21st day of February, 2014.

My Commission Expires: December 17, 2016
Phyllis
Notary Public
KYLUS ANNE BRIDGEMAN
STATE OF
TENNESSEE
NOTARY
PUBLIC
RUTHERFORD COUNTY



Copy



State Farm Fire and Casualty Company

2500 Memorial Boulevard
Memphis, TN 37131-0001

O-11- 2401-P326 H W F

PATTERSON, CHERYL
5904 COLCHESTER DR
HERMITAGE TN 37076-4486



011-0000-01000

Location: Same as Mailing Address

Loss Settlement Provisions (See Policy)
A1 Replacement Cost - Similar Construction
B1 Limited Replacement Cost - Coverage B

Forms, Options, and Endorsements

Homeowners Policy
Increase Dwlg up to \$32,500
Ordinance/Law 10%/ \$18,250
Jewelry and Furs \$1,500/\$2,500
Earthquake Incl Masonry Veneer
Homeowners Policy Endorsement
Back-Up Dwail/Listed Property

FP-7955,KT
OPT ID
OPT OL
OPT JF
* FE-7301.4
* FE-3530
* FE-5706.4

*Effective: FEB 26 2013

RENEWAL CERTIFICATE

POLICY NUMBER: 42-GP-0365-S
Homeowners Policy
FEB 26 2013 to FEB 26 2014

DATE DUE: SEE BALANCE DUE NOTICE
FEB 26 2013 \$874.00

Coverages and Limits

Section I

A Dwelling		\$162,500
Dwelling Extension	Up To	16,250
B Personal Property		121,875
C Loss of Use		Actual Loss Sustained

Deductibles - Section I

Other Losses	1,000
Except 10% Earthquake	

Section II

L Personal Liability	\$300,000
Damage to Property of Others	500
M Medical Payments to Others (Each Person)	1,000

Annual Premium		\$874.00
Earthquake Premium	50.00	(Included)
Amount Due		\$874.00

Premium Reductions	
Home/Auto Discount	245.00
Claim Record Discount	245.00

Inflation Coverage Index: 231.3

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

Please help us update the data used to determine your premium. Contact your agent with the year each of your home's utilities (heating/cooling, plumbing, or electrical) and roof were last updated.

1/26/2013 12:10:11 PM (01/30/2013)

Thanks for letting us serve you. We appreciate our long term customers.

Moving? See your State Farm agent.
See reverse for important information.
Prepared JAN 11 2013

Copy

Mortgagee: NATIONSTAR MORTGAGE LLC
Loan No: 0057166571
and Mtg: NATIONSTAR MORTGAGE LLC
Loan No: 0057166589

Your coverage amount....

It is up to you to choose the coverages and limits that meet your needs. We recommend that you purchase a coverage limit at least equal to the estimated replacement cost of your home. Replacement cost estimates are available from building contractors and replacement cost appraisers, or, your agent can provide an Xactware estimate using information you provide about your home. We can accept the type of estimate you choose as long as it provides a reasonable level of detail about your home. State Farm® does not guarantee that any estimate will be the actual future cost to rebuild your home. Higher limits are available at higher premiums. Lower limits are also available, which if selected may make certain coverages unavailable to you. We encourage you to periodically review your coverages and limits with your agent and to notify us of any changes or additions to your home.

Copy



State Farm Fire and Casualty Company

2500 Memorial Boulevard
Murfreesboro, TN 37131-0001

AT2

G-11- 2401-F325 H W F

PATTERSON, CHERYL
5904 COLCHESTER DR
HERMITAGE TN 37076-4406

POLICY NUMBER 42-GP-0365-5

HOMEOWNERS AVAILABLE COVERAGE NOTICE

SEE RENEWAL CERTIFICATE

IT IS IMPORTANT THAT YOU OCCASIONALLY REVIEW THE COVERAGES AND LIMITS IN YOUR HOMEOWNERS POLICY TO BE CERTAIN YOUR NEEDS ARE BEING MET. THE FOLLOWING INFORMATION WILL ASSIST YOU IN THE REVIEW PROCESS.

THE COVERAGE LIMITS FOR COVERAGE A - DWELLING, COVERAGE B - PERSONAL PROPERTY, COVERAGE L - PERSONAL LIABILITY, AND COVERAGE M - MEDICAL PAYMENTS TO OTHERS ARE LISTED ON THE ACCOMPANYING RENEWAL NOTICE. PLEASE REVIEW THESE LIMITS TO DETERMINE IF THEY ARE ADEQUATE IN THE EVENT OF A LOSS.

THE FOLLOWING IS A PARTIAL LIST OF THE OPTIONAL COVERAGES YOU HAVE NOT ADDED TO YOUR POLICY. THEY MAY BE AVAILABLE TO YOU FOR AN ADDITIONAL PREMIUM.

Business Property (for higher limits)

Business Pursuits Liability (for teachers, school administrators, sales persons, and clerical workers)

Child Care Liability (for those providing child care in their home)

Firearms (for broadened coverage and higher limits)

Home Computers (for higher limits)

Identity Restoration

Incidental Business Liability (for those with an incidental office, studio, or school in the home)

Jewelry and Furs (for broadened coverage and higher limits)

Loss Assessment (for neighborhoods with Homeowners Associations)

Nurses Professional Liability (for those in the nursing profession)

Personal Injury (for your liability to others caused by certain acts of libel, slander, invasion of privacy, false arrest)

Silverware/Goldware (for broadened coverage and higher limits)

This notice contains only a general description of the coverages and is not a contract. All coverages are subject to the provisions in the policy itself. Should you have a need for any of these coverages or higher limits, contact your State Farm Agent to discuss details, cost and eligibility.

IMPORTANT INFORMATION ABOUT DAMAGE CAUSED BY FLOODING

This policy does not cover damage to your property caused by flooding. You may be eligible for such coverage through the National Flood Insurance Program ("NFIP"), if you live in a participating community. For more information, contact your State Farm® agent or visit floodsmart.gov.

Agent CHRIS SLAUGHTER
Telephone (615) 883-1805

Copy



IMPORTANT INFORMATION . . .

ABOUT ESTIMATING THE REPLACEMENT COST OF YOUR HOME OR STRUCTURE AND SELECTING YOUR COVERAGE AMOUNT

It's important to periodically review your State Farm® policy to make sure your coverages meet your needs. One important consideration is the comparison of your Coverage A limit to the current estimated replacement cost of your home or structure. The enclosed renewal notice lists your current coverages and limits. If you've remodeled, or made any other changes to your home or structure since you purchased your policy that might increase the replacement cost, it's important to update your coverage to reflect these changes.

An estimate of the replacement cost of an insured home or structure is used to establish its value for insurance purposes. It affects your premium, and what coverage options may be available. Replacement cost estimates can be obtained from a building contractor or a replacement cost appraisal. Estimates from these sources should reflect the features specific to your home or structure.

If you are unable to obtain a detailed estimate from either of these sources, your State Farm agent can assist you in preparing an Xactware™ (replacement) cost estimate for your home or structure. This estimating tool offers the flexibility to create an individualized estimate based on the specific features you provide about your home or structure. State Farm recently began using an updated version of the Xactware replacement cost estimating tool. If you would like a new estimate using an Xactware replacement cost estimate, please contact your agent.

State Farm does not guarantee that any type of estimate will represent the actual cost to rebuild your home or structure after a loss. Also, a replacement cost estimate does not dictate the amount of insurance coverage a policyholder must or may purchase. For many reasons, a policyholder may want to purchase more or less than the replacement cost estimate. State Farm allows you to choose the coverage limits that best fit your circumstances.

When a policy provides coverage on a replacement cost basis, following a covered loss, State Farm pays you the "replacement cost" that you actually and necessarily spend to repair or replace the damaged part of the property—subject to the terms of the policy and coverage limits. The replacement cost is not the market value, the purchase price, or the outstanding amount of any mortgage loan. It does not include the value of the land. Rather, replacement cost is the cost, subject to the terms of the policy, of repairing or rebuilding the damaged part of the insured structure, not including desired or required upgrades or improvements.

If a current replacement cost estimate of your home or structure is higher than your present Coverage A limit, we encourage you to increase your limit and insure your home or structure to at least its current estimated replacement cost. We also encourage you to periodically review your coverages and limits with your agent, and notify us of any changes or additions to your home or structure.

553-2300.4 (C)

State Farm Fire and Casualty Company

553-2589.2

RENEWAL OFFER – HIGHER DEDUCTIBLE

Choosing a higher deductible can reduce your premium.

State Farm® is offering you an option to choose a higher deductible. Your Balance Due Notice includes a premium quote based on a deductible higher than you currently have. You'll notice the premium for a higher deductible is less than your current renewal premium.

If you want to change to the higher deductible, simply follow the instructions on your Balance Due Notice. Please keep in mind that selecting a higher deductible will reduce your premium; however, you may be responsible for a greater portion of each covered loss.

Some lenders may not allow higher deductibles. If you have a loan on your property, check with your lender to see if they have any restrictions.

If you have any questions about your deductible, payment options, or if you're interested in other available deductible options, please contact your State Farm agent.

553-2589.2 (C)

553-3143

IMPORTANT NOTICE . . . Information Regarding Your Premium

Claims and information from other State Farm® policies in your household may have been used to determine the premium shown. A policy may be considered "in your household" if, according to our records, the policy has a name and address in common with this policy.

Consumer reports may also be used to determine the price you are charged. We may obtain and use a credit-based insurance score developed from information contained in these reports. We may use a third party in connection with the development of your insurance score.

553-3143 (C) (10/09)



State Farm Fire and Casualty Company

2436

42-GP-0365-5

553-2948

NOTICE TO POLICYHOLDER



For a comprehensive description of coverages and forms, please refer to your policy.

Policy changes that you requested before the "Date Prepared" on your Renewal Certificate are effective on the renewal date of this policy unless indicated otherwise by a separate endorsement, binder or Amended Declarations Page. Any coverage forms or endorsements included with your Renewal Certificate are effective on the renewal date of this policy.

Policy changes that you requested after the "Date Prepared" on your Renewal Certificate will be sent to you as an Amended Declarations Page or as an endorsement to your policy. You will be billed for any resulting premium increase later.

If you have acquired any valuable property items, made any improvements to your home, or have questions about your insurance coverage, please contact your State Farm agent.

553-2948 (C)

(10/08)

553-2798

IMPORTANT NOTICE . . . Discounts and Rating

The longer you are insured with State Farm[®] and the fewer claims you have, the lower your premium. For policyholders insured by State Farm for three or more years, the Claim Free Discount Plan provides a premium discount if you have not had any claims considered for the Plan in the most recent three-year period since becoming insured with State Farm. Premium adjustments under the Claim Record Rating Plan are based on the number of years you have been insured with State Farm and on the number of claims that we consider for the Plan. Depending on the Plan(s) that applies in your state/province, claims considered for the Plans generally include claims resulting in a paid loss and may include weather-related claims. Additionally, depending on your state/province's plan and your tenure with State Farm, any claims with your prior insurer resulting in property damage or injury may also influence your premium. For further information about whether a Claim Free Discount is in effect in your state/province, the Claim Record Rating Plan that applies in your state/province, and the claims we consider for the Plans, please contact your State Farm agent.

553-2798 (C)

(10/07)

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EARTHQUAKE AND VOLCANIC EXPLOSION ENDORSEMENT

1. SECTION I - LOSSES NOT INSURED references to earthquake and volcanic explosion are deleted. Such insurance as is afforded by Section I of the policy is extended to insure for accidental direct physical loss caused by earthquake or volcanic explosion.

2. We do not insure under this endorsement for loss caused by or resulting from any earthquake or volcanic explosion that begins before the inception of this endorsement.

But, if this endorsement replaces earthquake insurance that excludes loss that occurs after the expiration of the policy, we will pay for loss or damage by earthquake, or volcanic explosion that occurs on or after the inception of this endorsement, if the series of earthquake shocks or volcanic explosions began within 72 hours prior to the inception of this insurance.

3. All earthquake shocks or volcanic explosions that occur within any 72-hour period will constitute a single loss. The expiration of this policy will not reduce the 72-hour period.

4. Deductible: The deductible for loss caused by earthquake or volcanic explosion is the amount determined by applying the deductible percentage (%) shown in the Declarations, separately, to each of the following:

a. the total COVERAGE A - DWELLING limit shown in the Declarations;

b. the total DWELLING EXTENSION limit shown in the Declarations; and

c. the total COVERAGE B - PERSONAL PROPERTY limit shown in the Declarations.

We will pay only that portion of the loss which exceeds the separate deductibles calculated above. The minimum deductible for each occurrence is \$250.

All other policy provisions apply.

Copy



IMPORTANT NOTICE . . . about your policy

Effective with this renewal, HOMEOWNERS POLICY ENDORSEMENT (Tennessee), FE-3530 replaces endorsements FE-5320, FE-5398, FE-5452, FE-5480, FE-5831, FE-5801, FE-7242.4 and changes your Homeowners booklet, FP-7955KT.

Some of these changes reduce, eliminate or broaden coverage. Other changes, although not intended to change coverage, could potentially reduce or eliminate coverage depending on how they are interpreted. In that regard, they should be viewed as either an actual or a potential reduction in coverage.

This Notice provides a brief description of some of the changes. We encourage you to read your new endorsement and note the following changes.

REDUCTIONS IN COVERAGE OR LIMITS

- The Special Limits of Liability under Coverage B – Personal Property, has changed so the \$5,000 limit on electronic data processing equipment now applies to mobile personal communication equipment, global positioning systems, mobile personal electronic devices used for reproduction of sound and standard media or non-media equipment used with any of these devices.
- There is no coverage under Coverage B – Personal Property, Property Not Covered for:
 - Videos or other media that may be used with equipment permanently attached to motor vehicles or other motorized land conveyances.
 - Data, sound or video that cannot be replaced with like kind and quality on the retail market that is transferred onto mobile communication equipment, global positioning systems or electronic devices used for the reproduction of video or sound.
 - Outdoor hardscape property used for aesthetic purposes, except as provided in Section I – Additional Coverages, item 3.
- Language is added to Coverage C – Loss of Use, Prohibited Use, to state when physical damage by a covered cause of loss occurs to property other than covered property located on the residence premises, we will pay the Additional Living Expense and Fair Rental Value, for a continuous period not to exceed two weeks. Coverage applies when access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage and the described premises is within the area, but not more than one mile from where the damaged property is located.
- Language is added to Section II – Additional Coverages, Claim Expenses to state that when we provide a defense against a suit, we will pay the costs taxed against you; however, such costs do not include attorney fees.
- Language is added to Section II – Conditions, Limit of Liability to state the coverage limit shown in the Declarations applies to the policy period during which the injury or damage first occurs and no additional coverage or limits will be available for the occurrence under any additional policy periods this policy remains in force.

POTENTIAL REDUCTIONS IN COVERAGE

- Language is added to the definition of "occurrence" to state that an accident must first result in bodily injury or property damage during the policy period. All bodily injury and property damage resulting from one accident, series of related accidents or from continuous and repeated exposure to the same general conditions is considered to be one occurrence.
- Lawns and artificial grass have been added to Coverage A, Property Not Covered, item 3. However, limited coverage is available under Section I – Additional Coverages, item 3.
- There is no coverage under Coverage B – Personal Property, Property Not Covered for:
 - Books or records of accounts receivable, abstracts or other journals, architectural or technical drawings, card index systems or other records.
 - Contraband, or any property used in the course of illegal consumption, possession, import, export or trade.

- Section I – Additional Coverage, Collapse, is revised to state coverage for collapse of a building caused by decay, deterioration, insect damage or vermin damage that is hidden from view is excluded if the hidden damage is known to an insured prior to the collapse.
- Language is added to Section I – Losses Not Insured to state there is no coverage for loss caused by flood, surface water, waves (including tidal wave, tsunami, and seiche), tides, tidal water, overflow of any body of water, or spray, or surge from any of these, all whether driven by wind or not. There is also no coverage for material carried or otherwise moved by any water described in the water exclusion.
- Section II – Additional Coverages, Claim Expenses is changed to state we will pay prejudgment interest, when owed by law, but only on the lesser of that part of the damages we pay or the policy's Coverage L limit.
- Language is added to Option OL – Building Ordinance or Law to state we will not pay for legally required changes to specific dwelling features, systems or components that have not been physically damaged by the Loss Insured.

BROADENINGS OR ADDITIONS OF COVERAGE

- Liability coverage is extended to include commercially manufactured 2, 3 or 4 wheeled personal conveyances powered by an unmodified motor of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour.
- The Special Limits of Liability under Coverage B – Personal Property, has changed as indicated below:
 - The limit for property used or intended to be used for business has increased to \$1,500. The limit for such property away from the residence premises has increased to \$750.
 - The limit on watercraft, outboard motors, including their trailers, furnishings and equipment has increased to \$1,500.
 - The limit on trailers not used with watercraft has increased to \$1,500.
 - Limited property coverage up to \$500 is added for certain low-powered commercially manufactured personal conveyances.
- Language in Section I – Additional Coverages, Trees, Shrubs and Landscaping is added to cover live or artificial plants, artificial grass and hardscape property used for aesthetic purposes not permanently affixed to the realty. The coverage limit for any one outdoor tree, shrub, plant or hardscape item has increased to \$750.
- The coverage limit under Section I – Losses Insured, Coverage B – Personal Property, Sudden and accidental damage to electrical appliances, devices, fixtures and wiring has increased to up to \$1,500 for each damaged item.
- Section II – Additional Coverages, Claim Expenses, is revised to state the most we will pay for all reasonable expenses incurred by the insured at our request, including loss of earnings, is \$200 per day.

OTHER CHANGES

- Under Coverage B – Personal Property, Special Limits of Liability, gift certificates, gift cards, rechargeable debit cards, and phone cards are specifically listed along with securities, checks, and other negotiable instruments as being subject to a special coverage limit of \$1,000.
- Language is added to Section I and Section II Conditions, Premium, that describes when the premium is due, the rates the premium is based upon, and the effect this policy may have on other coverages obtainable from, or other premiums paid to, the State Farm Companies.
- A Section I and Section II Condition, Change of Policy Address, is added to state we may change the named insured's address in the Declarations and our records to the most recent address provided to us by you or the United States Postal Service.
- In the OPTIONAL POLICY PROVISIONS (if shown in the Declarations):
 - Option BP – Business Property – The coverage limit purchased with this optional provision now replaces the \$1,500 limit in the policy rather than the previous \$1,000 limit.



6. Option HC – Home Computer – The coverage limit purchased now applies to mobile personal communication equipment, global positioning systems, and mobile personal electronic devices in addition to electronic data processing system equipment.

Please read endorsement FE-3530 carefully and keep it with your policy. If you have any questions, please contact your State Farm® agent.

This message is provided for informational purposes only, and it does not change, modify or invalidate any of the provisions, terms or conditions of your policy, or any other applicable endorsements.



FE-3530 HOMEOWNERS POLICY ENDORSEMENT (Tennessee)

DEFINITIONS

Definitions 6 and 7 are replaced by the following:

6. "motor vehicle", when used in Section II of this policy, means:
- a. a land motor vehicle designed for travel on public roads or subject to motor vehicle registration;
 - b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
 - c. a "recreational vehicle" while off an insured location. "Recreational vehicle" means a motorized vehicle designed for recreation principally off public roads that is owned or leased by an insured. This includes, but is not limited to, a motorized all terrain vehicle, amphibious vehicle, dune buggy, go-cart, golf cart, snowmobile, trailbike, minibike and personal assistive mobility device. "Leased" does not include temporary rental;
 - d. a "locomotive" while off an insured location. "Locomotive" means a self-propelled vehicle for pulling or pushing freight or passenger cars on tracks that is large enough to carry a person and is owned or leased by an insured. "Leased" does not include temporary rental;
 - e. a bulldozer, track loader, backhoe, high-hoe, trencher, grader, crane, self-propelled scraper, excavator, pipe-layer, cherry picker, telehandler, logging vehicle, mining vehicle or road building vehicle that is owned or leased by an insured while off an insured location. "Leased" does not include temporary rental; and
 - f. any vehicle while being towed or pushed by or carried on a vehicle included in a, b, c, d or e.

The following are not motor vehicles:

- a. a boat, camp, home or utility trailer not being towed or pushed by or carried on a vehicle included in a, b, c, d or e above;

- b. a motorized land vehicle in dead storage on an insured location;
- c. a motorized golf cart while used for golfing purposes;
- d. a motorized vehicle or trailer designed to assist the handicapped that is not designed for travel on public roads or subject to motor vehicle registration; or
- e. a commercially manufactured 2, 3 or 4 wheeled personal conveyance powered only by or assisted by an unmodified motor or engine with a manufacturer's power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour.

7. "occurrence", when used in Section II of this policy, means an accident, including exposure to conditions, which first results in:

- a. bodily injury; or
- b. property damage;

during the policy period. All bodily injury and property damage resulting from one accident, series of related accidents or from continuous and repeated exposure to the same general conditions is considered to be one occurrence.

Definitions 11 and 12 are added:

- 11. "fungus" means any type or form of fungus, including mold, mildew, mycotoxins, spores, scents or by-products produced or released by fungi.
- 12. "State Farm Companies" means one or more of the following:
 - a. State Farm Mutual Automobile Insurance Company;
 - b. State Farm Fire and Casualty Company; and
 - c. subsidiaries or affiliates of either a. or b. above.

SECTION I – COVERAGES

COVERAGE A – DWELLING

Item 2., Dwelling Extension, is replaced by the following:

2. Dwelling Extension. We cover other structures on the residence premises, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

We do not cover other structures:

- a. not permanently attached to or otherwise forming a part of the realty;
- b. used in whole or in part for business purposes unless such use consists solely of use of office space for paperwork, computer work or use of a telephone, and consists solely of activities that are:
 - (1) duties of the insured's employment by another; and
 - (2) performed solely by the insured; or
- c. rented or held for rental to a person not a tenant of the dwelling, unless used solely as a private garage.

The following item is added to item 3. Property Not Covered:

- d. lawns or artificial grass, except as provided in SECTION I - ADDITIONAL COVERAGES.

COVERAGE B - PERSONAL PROPERTY

Special Limits of Liability is replaced by the following:

Special Limits of Liability. These limits do not increase the Coverage B limit. The special limit for each of the following categories is the total limit for each loss for all property in that category:

- a. \$200 on money, coins and medals, including any of these that are a part of a collection, and bank notes;
- b. \$1,500 on property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, while on the residence premises. This coverage is limited to \$750 on such property away from the residence premises.
Electronic data processing system equipment or the recording or storage media used with that equipment is not included under this coverage;
- c. \$1,000 on securities, checks, cashiers checks, travelers checks, money orders, gift certificates, gift cards, rechargeable debit cards, phone cards and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports and tickets;
- d. \$1,500 on watercraft of all types and outboard motors, including their trailers, furnishings and equipment;

- e. \$1,500 on trailers not used with watercraft;
- f. \$2,500 on stamps, trading cards and comic books, including any of these that are a part of a collection;
- g. \$2,500 for loss by theft of firearms;
- h. \$2,500 for loss by theft of silverware and goldware;
- i. \$5,000 on electronic data processing system equipment, including but not limited to mobile personal communication equipment, global positioning systems, mobile personal electronic devices used for the reproduction of sound, and standard media or non-media equipment for use with the above devices;
- j. \$5,000 on any one article and \$10,000 in the aggregate for loss by theft of any rug, carpet (except wall-to-wall carpet), tapestry, wall-hanging or other similar article; and
- k. \$500 on commercially manufactured 2, 3 or 4 wheeled personal conveyances powered only by or assisted by an unmodified motor or engine with a manufacturer's power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour. This does not include those not licensed for use on public highways which are designed for assisting the handicapped.

Item 2, Property Not Covered, is replaced by the following:

- 2. Property Not Covered. We do not cover:
 - a. articles separately described and specifically insured in this or any other insurance;
 - b. animals, birds or fish;
 - c. any engine or motor-propelled vehicle or machine, including the parts, designed for movement on land, except as provided in Special Limits of Liability, item k. We do cover those not licensed for use on public highways which are:
 - (1) used solely to service the insured location; or
 - (2) designed for assisting the handicapped;
 - d. devices or instruments for the recording or reproduction of video or sound permanently attached to an engine or motor-propelled vehicle. We do not cover tapes, discs, wires, videos or other media that may be used with these devices or instruments while in the vehicle;
 - e. aircraft and parts;
 - f. property of roomers, boarders, tenants and other residents not related to an insured. We do cover property of roomers, boarders and other residents related to an insured;
 - g. property regularly rented or held for rental to others by an insured. This exclusion does not



apply to property of an insured in a sleeping room rented to others by an insured;

- h. property rented or held for rental to others away from the residence premises;
- i. any radio devices or transmitters, global positioning systems, radar or laser detectors, antennas and all other similar equipment permanently attached to an engine or motor-propelled vehicle;
- j. books or records of accounts receivable, abstracts or other journals, architectural or technical drawings, card index systems or other records. This exclusion does not apply to any recording or storage media for electronic data processing. We will cover the cost of blank books, cards or other blank material plus the cost of labor you incur for transcribing or copying such records;
- k. recording or storage media for electronic data processing that cannot be replaced with other of like kind and quality on the current retail market;
- l. purchased or created data, sound or video that cannot be replaced with like kind and quality on the current retail market which is transferred or downloaded onto mobile communication equipment, global positioning systems or electronic devices used for the reproduction of video or sound;
- m. contraband, or any property used in the course of illegal consumption, possession, import, export or trade; or
- n. outdoor hardscape property used for aesthetic purposes except as provided in SECTION I – ADDITIONAL COVERAGES.

COVERAGE C – LOSS OF USE

Item 3, Prohibited Use, is replaced by the following:

- 3. **Prohibited Use.** We cover Additional Living Expense and Fair Rental Value, for a continuous period not to exceed two weeks, beginning when a civil authority issues an order of evacuation or prohibits your use of the residence premises, provided that:
 - a. direct physical damage occurs to any property, other than covered property located on the residence premises, arising from a cause of loss that would be a Loss Insured under this policy if the damage had occurred to property on the residence premises;
 - b. the residence premises is within one mile of property damaged by a cause of loss identified in 3.a. above; and

- z. the action of the civil authority is taken in response to:

- (1) dangerous physical conditions resulting from the continuation of the cause of loss identified in 3.a. above;
- (2) dangerous physical conditions resulting from the damage caused by the cause of loss identified in 3.a. above; or
- (3) the need to gain free access to property damaged by the cause of loss identified in 3.a. above.

We do not cover loss or expense due to cancellation of a lease or agreement.

SECTION I – ADDITIONAL COVERAGES

Items 1., 3. and 11. are replaced by the following:

- 1. **Debris Removal.** We will pay the reasonable expenses you incur in the removal of debris of covered property damaged by a Loss Insured. This expense is included in the limit applying to the damaged property. The following coverages and limits also apply:
 - a. When the amount payable for the property damage plus the debris removal exceeds the limit for damaged property, an additional 5% of that limit is available for debris removal expense. This additional amount of insurance does not apply to Additional Coverage, item 3. Trees, Shrubs and Landscaping.
 - b. We will also pay up to \$500 in the aggregate for each loss to cover the reasonable expenses you incur in the removal of tree debris from the residence premises, unless otherwise excluded. This coverage applies when:
 - (1) the tree has caused a Loss Insured to Coverage A property; or
 - (2) the tree debris felled by windstorm, hail, or weight of snow or ice blocks:
 - (a) the driveway, on the residence premises, and prevents land motor vehicle access to or from the dwelling; or
 - (b) a ramp designed to assist the handicapped, on the residence premises and prevents access to or from the dwelling.
- 3. **Trees, Shrubs and Landscaping.** We cover outdoor:
 - a. trees, shrubs, live or artificial plants, and lawns;
 - b. artificial grass; and
 - c. hardscape property used for aesthetic purposes not permanently affixed to realty;

on the residence premises, for direct loss caused by the following: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles (not owned or operated by a resident of the residence premises), Vandalism or malicious mischief or Theft.

The limit for this coverage, including the removal of debris, shall not exceed 5% of the amount shown in the Declarations for COVERAGE A - DWELLING. We will not pay more than \$750 for any one outdoor tree, shrub, plant or hardscape item, including debris removal expense. This coverage may increase the limit otherwise applicable. We do not cover property grown for business purposes.

11. Collapse. We insure only for direct physical loss to covered property involving the sudden, entire collapse of a building or any part of a building.

Collapse means actually fallen down or fallen into pieces. It does not include settling, cracking, shrinking, bulging, expansion, sagging or bowing.

The collapse must be directly and immediately caused only by one or more of the following:

- a. perils described in SECTION I - LOSSES INSURED, COVERAGE B - PERSONAL PROPERTY. These perils apply to covered building and personal property for loss insured by this Additional Coverage;
- b. decay, deterioration, insect damage or vermin damage, all that are hidden from view, of a:
 - (1) connector; or
 - (2) structural member of a building;
 unless the presence of such damage is known to an insured prior to collapse;
- c. weight of contents, equipment, animals or people;
- d. weight of ice, snow, sleet or rain which collects on a roof, porch or deck; or
- e. use of defective material or methods in the construction (includes remodeling or renovation) of the building, if the collapse occurs during the course of the construction of the building.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf, dock, trellis or antenna or its supporting structure is not included under items b., c., d. and e., unless the loss is the direct and immediate cause of the collapse of the building.

This coverage does not increase the limit applying to the damaged property.

SECTION I - LOSSES INSURED

The following is added to SECTION I - LOSSES INSURED:

We insure for accidental direct physical loss to property described in Coverages A and B caused by sinkhole collapse, meaning sudden settlement or collapse of the earth resulting from subterranean voids created by the action of water on limestone or similar rock formations. We do not insure against loss caused by abandonment of the property covered.

COVERAGE B - PERSONAL PROPERTY

Items 9.b.(3)(c), 12.d., 13.b. and 15. are replaced by the following:

9. b. (3) (c) of securities, checks, cashiers checks, travelers checks, money orders, gift certificates, gift cards, rechargeable debit cards, phone cards and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports and tickets;
12. d. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, or wet or dry rot.
13. b. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, or wet or dry rot.
15. Sudden and accidental damage to electrical appliances, devices, fixtures and wiring from an increase or decrease of artificially generated electrical current. We will pay up to \$1,500 under this peril for each damaged item described above.

SECTION I - LOSSES NOT INSURED

Items 1.a., 2.b. and 2.c. are replaced by the following:

1. i. wet or dry rot;
2. b. Earth Movement, meaning the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not. Earth movement includes, but is not limited to earthquake, landslide, mudflow, mudslide, subsidence, erosion or movement resulting from improper compaction, site selection or any other external forces. Earth movement also includes volcanic explosion or lava flow, except as specifically provided in SECTION I - ADDITIONAL COVERAGES, Volcanic Action.

However, we do insure for any direct loss by fire resulting from earth movement, provided the resulting fire loss is itself a Loss Insured.



2. c. Water, meaning:

- (1) flood, surface water, waves (including tidal wave, tsunami, and seiche), tides, tidal water, overflow of any body of water, or spray or surge from any of these, all whether driven by wind or not;
- (2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area;
- (3) water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure; or
- (4) material carried or otherwise moved by any of the water, as described in paragraphs (1) through (3) above.

However, we do insure for any direct loss by fire, explosion or theft resulting from water, provided the resulting loss is itself a Loss Insured.

The following item is added:

2. g. Fungus. We also do not cover:

- (1) any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, due to interference at the residence premises or location of the rebuilding, repair or replacement, by fungus;
- (2) any remediation of fungus, including the cost to:
 - (a) remove the fungus from covered property or to repair, restore or replace that property; or
 - (b) tear out and replace any part of the building or other property as needed to gain access to the fungus; or
- (3) the cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of fungus, whether performed prior to, during or after removal, repair, restoration or replacement of covered property.

SECTION II — LIABILITY COVERAGES

SECTION II — ADDITIONAL COVERAGES

Items 1.a., 1.c. and 1.d. are replaced by the following:

1. Claim Expenses. We pay:

- a. expenses we incur and costs taxed against an insured in suits we defend. Taxed costs do not include attorney fees;
- c. reasonable expenses an insured incurs at our request. This includes actual loss of earnings (but not loss of other income) up to \$200 per day for aiding us in the investigation or defense of claims or suits;
- d. interest the insured is legally liable to pay on damages payable under Coverage L above before a judgment, but only the interest on the lesser of:
 - (1) that part of the damages we pay; or
 - (2) the Coverage L limit and

SECTION II — CONDITIONS

Item 1., Limit of Liability, is replaced by the following:

1. Limit of Liability. The Coverage L limit is shown in the Declarations. This is the limit for all damages from each occurrence for the policy period in which the bodily injury or property damage first occurs, regardless of the number of insureds, claims made or persons injured. No additional limits or coverage will be available for the occurrence under any additional policy periods while this policy remains in force.

The Coverage M limit is shown in the Declarations. This is our limit for all medical expense for bodily injury to one person as the result of one accident.

The following condition is added to Item 4., Duties of an Injured Person — Coverage M:

- d. the injured person, or, when appropriate, someone acting on behalf of that person, shall:
 - (1) provide us with any required authorizations; and
 - (2) submit to us all information we need to comply with state or federal law.

SECTION I AND SECTION II — CONDITIONS

The following conditions are added:

11. Premium.

- a. Unless as otherwise provided by an alternative payment plan in effect with the State Farm Companies with respect to the premium for this policy, the premium is due and payable in full on or before the first day of the policy period shown in the most recently issued Declarations.
- b. The renewal premium for this policy will be based upon the rates in effect, the coverages carried, the applicable limits, deductibles and other elements that affect the premium applicable at the time of renewal.

c. The premium for this policy may vary based upon:

- (1) the purchase of other products or services from the State Farm Companies;
- (2) the purchase of products or services from an organization that has entered into an agreement or contract with the State Farm Companies. The State Farm Companies do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization; or
- (3) an agreement, concerning the insurance provided by this policy, that the State Farm Companies has with an organization of which you are a member, employee, subscriber, licensee, or franchisee.

d. Your purchase of this policy may allow:

- (1) the premium or price for other insurance products purchased by you from the State Farm Companies to vary; or
- (2) the price for non-insurance products or services purchased by you to vary. Such products or services must be provided by the State Farm Companies or by an organization that has entered into an agreement or contract with the State Farm Companies. The State Farm Companies do not warrant the merchantability, fitness or quality of any product or service offered or provided by that organization.

12. **Right to Inspect.** We have the right but are not obligated to perform the following:

- a. make inspections and surveys of the Insured location at any time;
- b. provide you with reports on conditions we find; or
- c. recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged.

We do not:

- a. make safety inspections;
- b. undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;
- c. warrant that conditions are safe or healthful; or
- d. warrant that conditions comply with laws, regulations, codes or standards.

This condition applies not only to us but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

13. **Joint and Individual Interests.** When there are two or more named insureds, each acts for all to cancel or change the policy.

14. **Change of Policy Address.** We may change the named insured's policy address as shown in the Declarations and in our records to the most recent address provided to us by:

- a. you; or
- b. the United States Postal Service.

OPTIONAL POLICY PROVISIONS

Option BP – Business Property is replaced by the following:

Option BP – Business Property. The **COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability, item b.**, for property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, is changed as follows:

The \$1,500 limit is replaced with the amount shown in the Declarations for this option.

Option HC – Home Computer is replaced by the following:

Option HC – Home Computer. The **COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability, item 1.**, is increased to be the amount shown in the Declarations for this option.

Option OL – Building Ordinance or Law

Item 3.c. is replaced by the following:

- c. legally required changes to the undamaged portion of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law, if:
 - (1) the enforcement is directly caused by the same Loss Insured;
 - (2) the requirement is in effect at the time the Loss Insured occurs; and
 - (3) the legally required changes are made to the undamaged portions of specific dwelling features, systems or components that have been physically damaged by the Loss Insured.

We will not pay for legally required changes to specific dwelling features, systems or components that have not been physically damaged by the Loss Insured.

All other policy provisions apply.



IMPORTANT NOTICE . . . about your policy

Effective with this policy term, **BACK-UP OF SEWER OR DRAIN ENDORSEMENT (\$10,000 LIMIT)**, FE-5706.4 replaces **BACK-UP OF SEWER OR DRAIN ENDORSEMENT (\$10,000 Limit)**, FE-5706.1.

This notice provides a brief overview of many of the changes to your policy. We encourage you to read your new endorsement thoroughly and note the following changes.

Reductions or Eliminations in Coverage

- Language is revised to state the loss must be directly and immediately caused solely by the back-up of water or sewage that enters through a sewer or drain located inside the interior of the dwelling, or by water or sewage that enters into and overflows from within a sump pump well that is located inside the interior of the dwelling.
- Coverage does not apply to losses that occur or are in progress within the first 5 days of the inception of this endorsement unless coverage is continued as part of your policy renewal, or this endorsement is attached to replace another back-up of sewer or drain endorsement. If the coverage limits on this endorsement are higher than the coverage limits on the endorsement it replaces, the 5 day limitation applies only to the increase in coverage limits.

Other Changes

- Language under Section I – Losses Not Insured, Water, states there is no coverage for this water damage, except to the extent coverage is specifically provided by the Additional Coverage for Back-up of Sewer or Drain provided by this endorsement.
- The Other Insurance Condition is revised so coverage under this endorsement is excess over any other valid and collectible insurance.
- Language and formatting changes have been made so the new endorsement corresponds with the Homeowners Policy and policy endorsements.

Endorsement FE-5706.4 follows this notice. Please read it carefully and keep it with your policy. If you have any questions about the information in this notice, please contact your State Farm® agent.

This message is provided for informational purposes only, and it does not change, modify or invalidate any of the provisions, terms or conditions of your policy, or any other applicable endorsements.



FE-5706.4 BACK-UP OF SEWER OR DRAIN ENDORSEMENT (\$10,000 LIMIT)

The following is added to **SECTION I – ADDITIONAL COVERAGES**:

Back-up of Sewer or Drain. We cover the dwelling used as a private residence on the residence premises shown in the Declarations and only the following personal property, while located in the dwelling:

- a. clothes washers and dryers;
- b. food freezers and the food in them;
- c. refrigerators;
- d. ranges;
- e. portable dishwashers; and
- f. dehumidifiers;

for direct physical loss caused by the back-up of water or sewage, subject to the following:

- a. The back-up must be directly and immediately caused solely by water or sewage:

- (1) from outside the residence premises plumbing system that enters through a sewer or drain located inside the interior of the dwelling; or
- (2) which enters into and overflows from within a sump pump, sump pump well, or any other system located inside the interior of the dwelling designed to remove subsurface water drained from the foundation area.

- b. Coverage does not apply to:

- (1) losses caused by your negligence;
- (2) losses that occur or are in progress within the first 5 days of the inception of this endorsement. This limitation does not apply when:

- (a) this endorsement is attached to a newly issued policy; or
 - (b) this endorsement is attached to replace another Back-Up of Sewer or Drain Endorsement. However, if this endorsement's coverage limits are higher than those of the endorsement it replaces, then the limitation described in (2) above applies only to the increase in coverage limits; or
 - (3) any personal property other than a, through f, listed above.
- c. The limit for this coverage shall not exceed \$10,000 in any one occurrence.

The deductible for each loss under this coverage is the amount shown in the Declarations under DEDUCTIBLES - SECTION I or \$1,000, whichever is greater.

For the purpose of this endorsement only, SECTION I - LOSSES INSURED, Item 12.c. is deleted from the policy.

SECTION I - LOSSES NOT INSURED

Item 2.c. Water is replaced by:

- 2. c. Water, meaning:
 - (1) flood, surface water, waves (including tidal wave, tsunami, and seiche) tides, tidal water, overflow of any body of water, or spray or surge from any of these, all whether driven by wind or not, except as specifically provided in SECTION I - ADDITIONAL COVERAGES, Back-up of Sewer or Drain;

- (2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area, except as specifically provided in SECTION I - ADDITIONAL COVERAGES, Back-up of Sewer or Drain;
- (3) water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure, or
- (4) material carried or otherwise moved by any of the water, as described in paragraphs (1) through (3) above.

However, we do insure for any direct loss by fire, explosion or theft resulting from water, provided the resulting loss is itself a Loss Insured.

For the purpose of this endorsement only, SECTION I - CONDITIONS, Other Insurance is replaced by:

Other Insurance. This coverage is excess over other valid and collectible insurance.

All other policy provisions apply.

FE-5706-4

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MICHAEL R. ROCKER, CLERK

State Farm Insurance

PO Box 60100

Dallas TX 75260-1000

D.C.

January 22, 2014

CHERYL PATTERSON
5904 COLCHESTER DR
HERMITAGE TN 37076

RE: Claim Number: 42-2257-383
Policy Number: 42-GP-0365-5
Date of Loss: June 30, 2013
Insured Location: 5904 Colchester Drive, Hermitage, Tennessee 37076

Dear Ms. Patterson:

Based on our investigation of your claim, and investigation completed by Rimkus Consulting Group, they have determined that sinkhole related activity has been observed at the insured location referenced above causing damage to the concrete block foundation wall around the garage and porch. However, their investigation concludes that the interior drywall cracking and distress, as well as the cracks in the garage concrete slab are not related to sinkhole activity.

Rimkus Consulting Group has provided recommendation for repairs based on their findings. While you do have coverage for the repairs to the concrete foundation wall, we are unable to cover the recommended improvement of subsurface soils as this repair is solely for land stabilization and these injections will not touch any part of the foundation or dwelling. Based on this information, no payment will be made to stabilize the land. We refer you to your Homeowner's Policy which states in pertinent part:

SECTION I - COVERAGES

COVERAGE A - DWELLING

3. **Property Not Covered.** We do not cover:
- a. land, including the land necessary to support any Coverage A property;
 - b. any costs required to replace, rebuild, stabilize, or otherwise restore the land; or
 - c. the costs of repair techniques designed to compensate for or prevent land instability to any property, whether or not insured under Coverage A.

SECTION I - LOSSES NOT INSURED

EXHIBIT

B

CHERYL PATTERSON
42-2Z57-383
Page 2

- † We do not insure for any loss to the property described in Coverage A which consists of, or is directly and immediately caused by, one or more of the perils listed in items a. through n. below, regardless of whether the loss occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:
- g. wear, tear, marring, scratching, deterioration, inherent vice, latent defect or mechanical breakdown;
 - i. settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundation, walls, floors, roofs or ceilings;
2. We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss, or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:
- b. **Earth Movement**, meaning the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not. Earth movement includes but is not limited to earthquake, landslide, mudflow, mudslide, sinkhole, subsidence, erosion or movement resulting from improper compaction, site selection or any other external forces. Earth movement also includes volcanic explosion or lava flow, except as specifically provided in **SECTION I - ADDITIONAL COVERAGES, Volcanic Action**.
- However, we do insure for any direct loss by fire resulting from earth movement, provided the resulting fire loss is itself a Loss Insured.

FE-3530 HOMEOWNERS POLICY ENDORSEMENT (Tennessee)

SECTION I – COVERAGES

COVERAGE A – DWELLING

The following item is added to item 3. Property Not Covered:

- d. lawns or artificial grass, except as provided in **SECTION I – ADDITIONAL COVERAGES**.

SECTION I – LOSSES NOT INSURED

CHERYL PATTERSON
42-2257-383
Page 3

2. b. **Earth Movement**, meaning the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not. Earth movement includes, but is not limited to earthquake, landslide, mudflow, mudslide, subsidence, erosion or movement resulting from improper compaction, site selection or any other external forces. Earth movement also includes volcanic explosion or lava flow, except as specifically provided in **SECTION I – ADDITIONAL COVERAGES, Volcanic Action**. However, we do insure for any direct loss by fire resulting from earth movement, provided the resulting fire loss is itself a Loss Insured.

If you have any questions or require any additional explanation regarding this matter, please contact me at 615 617 7405.

Sincerely,



Bryan Krieger
Fire Claim Representative
615 692 3813
State Farm Fire and Casualty Company

09/829/1575535

cc. ALL AMERICAN PUBLIC ADJUSTERS INCORPORATED
C/O ROBERT THOMPSON
531 BRUCE JENNER DR
CLARKSVILLE TN 37042

Copy



THOMPSON
TRIAL GROUP, P.A.

May 2, 2014

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[Signature]

D.C.

VIA U.S. MAIL

State Farm Fire and Casualty
Insurance Company
P.O. Box 661030
Dallas, TX 75266-1030

ATTN: Mr. Bryan Krieger

Re: Insured: Patterson, Cheryl
Policy No.: 42-GP-0365-5
Claim No.: 42-2257-383
Date of Loss: June 30, 2013
Subject Property: 5904 Colchester Drive, Hermitage, TN 37076-4406

FORMAL DEMAND UNDER TENNESSEE STATUTE 56-7-105

Dear Mr. Krieger:

As you are aware, my office was retained by the above-referenced client to represent her regarding all aspects or claims pertaining to a potential sinkhole loss at the above referenced property. Please remember that State Farm Fire and Casualty Insurance Company ("State Farm") retained Rimkus Consulting Group, Inc. ("Rimkus") to conduct a sinkhole investigation. On November 18, 2013, Rimkus confirmed that sinkhole activity was, in fact, a cause of loss at the property. Additionally, Rimkus provided wholly inadequate remediation recommendations. Nevertheless, inexplicably, State Farm partially denied coverage.

Questioning the propriety of Rimkus' investigation and conclusions, the Insured retained an expert to fully review this matter in accordance with industry standards and Tennessee law. During its review, he discovered systematic weakening of soils, decreasing densities at depth, as well as irregular soil-rock interface on the limestone bedrock. Specifically, he found that the settlement damage to the home was indeed caused by sinkhole activity. Additionally, the Insured retained United Structural Systems ("USS") to provide an accurate remediation recommendation. USS recommended a repair program that includes underpinning the property at an estimated cost of \$117,900.00. See attached reports. Due to substantial structural damage, the Insured also obtained an initial cosmetic repair estimate, which exceeds \$35,000.00.

4725 N. LOIS AVE. | TAMPA, FLORIDA 33614 | TELEPHONE: 813.254.1800 | FAX: 813.254.1844 | WWW.TTG.LAW.COM

"HELPING THOSE IN NEED"

EXHIBIT

C

Given the early posture of the case, and our client's willingness to be very reasonable in her expectations, we believe settlement is the best course of action to avoid unnecessary attorney's fees, expert expenses, and litigation costs. Therefore, we are willing to recommend settlement to our client for \$150,000.00. This amount would be inclusive of attorney's fees and costs. This offer is made in an effort to avoid further litigation costs and shall only remain open for (14) days. The settlement proceeds will need to be delivered as follows in order for there to be an effectual settlement:

- 1) One check shall be made out to Ms. Patterson and her mortgage company in the amount \$30,000.00; and
- 2) Second check made payable to Ms. Patterson and the Thompson Trial Group, P.A. for \$120,000.00.

In exchange for the above referenced settlement drafts, Ms. Patterson will provide a full release for claims, including extra-contractual claims, related to the sinkhole loss.

In the event State Farm fails to confirm coverage and restore the Insured's property to its pre-loss condition within fourteen (14) days, the Insured will file suit and seek a statutory bad faith penalty.

Sincerely,

The Thompson Trial Group, P.A.

Thomas W. Thompson

Thomas W. Thompson, Esquire

(Signed electronically in his absence to avoid delay)